

**LEASE AGREEMENT BETWEEN
KJ INVESTMENT GROUP, LLC
AND
CITY OF GARDEN GROVE**

This Lease Agreement ("Lease") is made and entered into by and between **KJ INVESTMENT GROUP, LLC** ("Landlord") and **CITY OF GARDEN GROVE**, a California municipal corporation ("Tenant") as of **July 1, 2022**. Landlord and Tenant are referenced in the aggregate as the "Parties" and sometimes, when a provision applies to each of them individually, as a "Party."

Recitals

- A. Landlord currently owns certain real property located at 11277 Garden Grove Blvd., in the City of Garden Grove, California, Assessor's Parcel No. 090-171-35 ("Premises"). Tenant wishes to lease the second floor of the Premises, which is comprised of approximately 15,250 sq. ft. of leasable office space, suite numbers 200 to 220.
- B. Tenant wishes to use the leased Premises for office uses for its police department.
- C. Landlord has agreed to let the Premises to Tenant subject to the terms and conditions of this Lease.
- D. Tenant shall further have the option to purchase the Premises subject to the terms and conditions hereof.

NOW THEREFORE, the Parties hereto agree as follows:

Agreement

1. Lease of Premises.

(a) Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the entire second floor of the Premises according to the terms of this Lease.

(b) The Effective Date of this Lease is October 1, 2022. It is understood by the Parties that Landlord shall have completed the one-time repair/maintenance items listed in Exhibit "A" attached hereto and made a part hereof, prior to the Effective Date.

2. Rent.

(a) Monthly Base Rent. Tenant agrees to pay Landlord, without notice or demand, offset or deduction, monthly rent in the sum of Nineteen Thousand Sixty-Two Dollars and Fifty Cents (\$19,062.50) per month commencing on the Effective Date, in advance, on or before the 5th day of each month.

(b) Proration. Rent for any period which is less than one month shall be a prorated portion of the monthly installment based upon a 30 day month. Rent shall be paid to Landlord

without deduction or offset, in lawful money of the United States of America and at such place as Landlord may from time to time designate in writing.

(c) Late Charges. Tenant acknowledges that late payment of rent or other sums due will cause Landlord to incur costs, the exact amount of which will be difficult to ascertain. Accordingly, if any installment of rent or any other sum due from the Tenant is not received by Landlord within five (5) days of the date on which it is due, Tenant shall pay to Landlord as additional rent the lesser of the maximum amount allowed by law or five percent (5%) of such overdue amount. In addition, Tenant shall pay Landlord any attorneys' fees or notice/process service fees incurred by Landlord by reason of Tenant's failure to pay rent or other charges when due hereunder. In addition, all unpaid amounts shall accrue interest from the date due the lesser of the maximum rate allowed by law or 7% per annum until paid.

(d) No Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than any payment of Rent due shall be deemed to be other than on account of the amount due, and no endorsement or statement on any check or any letter accompanying any check or payment of Rent shall be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such payment of Rent or to pursue any other remedies available to Landlord. No receipt of money by Landlord from Tenant after the termination of this Lease or Tenant's right of possession of the Premises shall reinstate, continue or extend the Term.

3. Term and Termination.

(a) Term and Renewal. This Lease shall be for a one (1) year term, commencing as of the Effective Date. The Parties may extend the term of this Lease for up five (5) terms of 12 months each, for a total of six (6) years. Tenant shall provide Landlord at least 90 days' notice (but no more than 180 days) of its intent to seek an extension of the Lease for each extension period. The Parties agree to meet, confer, and memorialize the agreement to extend the lease for each additional extension period prior to the expiration of the then current term.

(b) Termination and Holding Over. Either Party may terminate this Lease for any reason upon 90 days written notice to the other, termination of which shall be effective immediately upon the end of the 90 days' period. Upon termination of this Lease, possession of the Premises, including all structures, building, and/or improvements thereon, shall be surrendered to Landlord immediately. In the event Tenant holds over beyond the term herein provided with the express or implied consent of the Landlord, such holding over shall be from month to month only, subject to the conditions of this Lease. Such holding over shall not be construed as a renewal of this Lease and shall be at the monthly compensation provided in this Lease. Such holdover period shall be subject to termination upon 30 days' notice.

(c) Trade Fixtures and Personal Property. Upon the termination of the Lease, Tenant shall remove all of its trade fixtures, furniture, equipment, and signs on the Premises to the extent they are not permanently affixed, and immediately repair any damage resulting from such removal so as to leave the Premises in the condition required in this section. Tenant may finance its movable fixtures and equipment installed in the Premises, and such financing will not be considered an Assignment, provided it does not confer an interest in the Premises.

(d) Ownership of Improvements; Condition on Tenant's Surrender. On the date of termination of this Lease, Tenant shall peaceably surrender and quit the Premises and all improvements broom clean, in good order, condition and repair, reasonable wear and tear excepted only. At its expense, Tenant shall remove all of its trade fixtures and personal property and repair any damage to the Premises occasioned by removal of these items.

4. Security Deposit. Upon execution of this Lease, Tenant will pay Landlord a Security Deposit in the sum of \$19,062.50. The Security Deposit shall not bear interest and will be held by Landlord as security for Tenant's faithful performance of all of Tenant obligations under this Lease. If Landlord applies all or part of the Security Deposit to the payment of Rent or to any loss or damage to Landlord due to Tenant's default, then within 5 days after Notice, Tenant will deposit sufficient cash with Landlord to restore the Security Deposit to the amount originally deposited. If Tenant performs all of its obligations under this Lease, the Security Deposit or any remaining balance will be returned to Tenant within 15 days of the expiration or earlier termination of this Lease.

5. Possession and Opening Date.

(a) Tenant's Right of Possession. Landlord shall not be obligated to deliver possession of the Premises to Tenant until Landlord has received from Tenant certificates of insurance or evidence of self-insurance as required in this Lease. Commencing on the Effective Date, Tenant shall pay the first installments of Monthly Base Rent, the estimated share of Additional Rent and Taxes subject to section 2(b), and any other sum of money or charges due hereunder.

(b) Delivery of Possession. Landlord shall be deemed to have delivered possession of the Premises to Tenant upon the Effective Date.

(c) Governmental Approvals. Tenant shall be responsible for achieving all approvals and permits from governmental agencies having jurisdiction over the Premises necessary to conduct Tenant's operations on the Premises.

6. Use of Premises.

(a) General Use. Tenant shall use and occupy the Premises, solely for its customary use as office uses.

(b) Limitations. Notwithstanding the foregoing permitted uses in subsection (a), Tenant shall not cause or permit the Premises to be used in any way that: (i) constitutes a violation of any law, ordinance, or governmental regulation or order regulating the manner of use by Tenant of the Premises (including, without limitation, any law, ordinance, regulation or order relating to Hazardous Materials), (ii) constitutes a nuisance or waste, or (iii) increases the cost of any insurance relating to the Premises paid by Landlord. Tenant shall obtain, at its sole cost and expense, all governmental permits, licenses and authorizations of whatever nature required by any governmental agencies having jurisdiction over Tenant's use of the Premises. Further, Tenant, at its sole cost, will comply with all applicable governmental laws and regulations in connection with its operations within the City of Garden Grove.

(c) Safety. Tenant shall immediately correct any unsafe condition of the Premises, as well as any unsafe practices occurring thereon. Tenant shall cooperate fully with Landlord in the investigation of any injury or death occurring on the Premises, including a prompt report thereof to Landlord's property manager or designee.

(d) Nuisances and Annoyances. Tenant shall not use or permit the use of the Premises in any manner which creates a nuisance or measurable annoyance to persons outside the Premises except as may be required by law or necessary or advisable for safety purposes.

7. Taxes.

(a) Real Property Taxes. Should the property interest conveyed by this Lease be subject to real property taxation and/or assessments, subject to section 2(b), Tenant shall pay, before delinquency, all lawful taxes, assessments, fees or charges which may be levied by the State, County, City, or any other tax or assessment-levying body upon the Premises and any improvements thereon. "Taxes" shall include any form of tax or assessment (whether special or general, ordinary or extraordinary, foreseen or unforeseen), license fee, tax or excise on Rent or any interest of Landlord or Tenant (including any legal or equitable interest of Landlord or its beneficiary under a deed of trust, if any) in the Premises or the underlying realty. Taxes for any partial year shall be prorated.

(b) Personal Property Taxes. Tenant shall pay all taxes charged against trade fixtures, furnishings, equipment or any other personal property belonging to Tenant. Tenant shall use commercially reasonable efforts to have personal property taxed separately from the Premises. If any of Tenant's personal property is taxed with the Premises and paid by Landlord, Tenant shall reimburse Landlord the taxes for the personal property within 15 days after Tenant receives a written statement from Landlord for such personal property taxes, together with reasonable evidence showing the amount of personal property taxes paid by Landlord.

(c) Contesting Taxes. Tenant shall have the right to contest any Taxes, at its own cost and in its own name, and Landlord shall not pay any such Taxes; provided, however, that Tenant shall take such steps as may be required to perfect the contest, including payment of the Taxes under protest prior to an appeal of adverse determination of the contest. Upon final determination of any such contest (and if the Taxes have not already been paid under protest), Tenant shall pay the Taxes for which it is responsible hereunder as they are finally determined and all penalties, interest, costs, and expenses which may thereupon be due or have resulted therefrom. If Tenant contests any Taxes and such contest interferes with any proposed sale, financing or refinancing affecting the Premises, which Landlord has either commenced or is about to commence, upon Landlord's written request, Tenant shall either furnish to Landlord security in the amount of such contested Taxes, plus estimated costs and interest, or a bond of a responsible corporate surety in such amount.

8. Utilities.

(a) Electrical and Plumbing. Landlord shall provide the physical installation of electrical and plumbing (including landscape irrigation) utilities to the Premises, excluding any service charges for starting service.

(b) Utility Charges. Tenant agrees to pay directly to the appropriate utility company all charges for all utilities, including electric, gas, telephone, cable television, telecommunications, water, sanitary sewer lines, drainage facilities, trash, or any other utilities and other systems and lines exclusively serving the Premises. It is understood by the Parties that this section shall apply only to the portion of the Premises leased and occupied by Tenant. Tenant shall not be liable for costs/charges associated with property outside the scope of this lease.

(c) Waiver of Liability. Regardless of the entity supplying any of the utilities or providing any service referred to in this section, Landlord shall not be liable in damages for any failure or interruption of any utility or service unless such failure was due to the intentional or negligent acts of Landlord or its agents. No failure or interruption of any utility or service shall entitle Tenant to terminate this Lease or discontinue making payments of Rent.

(d) Tenant's Nonpayment. If Tenant fails to timely pay any charges referred to in this section, Landlord may pay the charge and Tenant shall reimburse Landlord such amount, as Additional Rent, within 5 days of demand therefor.

9. Improvements and Signage. Except as provided in Exhibit "B" and as may exist on the Premises as of the Effective Date, no structure, sign or other improvement of any kind shall be constructed on the Premises by Tenant, its employees, agents or contractors without the prior written approval of Landlord in each case. Approval may be withheld, conditioned or delayed in Landlord's sole and absolute discretion. No changes, modifications or alterations from approved plans and specifications may be made without Landlord's prior written approval. No approval by Landlord of any plans or specifications shall constitute (i) approval of architectural or engineering sufficiency or representation, or (ii) warranty by Landlord as to the adequacy or sufficiency of the plans and specifications or the improvements contemplated for Tenant's use or purpose. Landlord, by approving the plans and specifications, assumes no responsibility or liability for any defect in any improvements constructed on the basis of the plans and specifications. Tenant expressly agrees to comply with all applicable signage ordinances and shall be responsible for the general maintenance and repair of any signage to the Landlord's satisfaction. Landlord has approved the improvements listed in Exhibit "B" attached hereto and made a part hereof.

10. Maintenance and Repairs.

(a) Maintenance. The following requirements shall apply to Tenant upon the effective date of this Lease or occupancy of the Premises by Tenant.

(1) In General. Tenant shall, at Tenant's sole expense, keep the Premises, utility installations, and other improvements in good order, condition and repair (whether or not the portion of the Premises requiring repairs, or the means of repairing the same, are reasonably or readily accessible to Tenant, and whether or not the need for such repairs occurs as a result of Tenant's use, any prior use, the elements or the age of such portion of

the Premises), including, but not limited to, all equipment or facilities, such as plumbing, HVAC equipment, electrical, lighting facilities, boilers, pressure vessels, fixtures, interior walls, interior surfaces of exterior walls, ceilings, floors, windows, doors, plate glass, and skylights but excluding any items which are the responsibility of Landlord pursuant to subdivision (c) below. Tenant, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices, specially including the procurement and maintenance of the service contracts required by subdivision (a)(2) below. Tenant's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair. All replacements shall be of a quality equal to or exceeding that of the original.

(2) Service Contracts. Tenant shall, at Tenant's sole expense, procure and maintain contracts, with copies to Landlord, in customary form and substance for, and with licensed contractors specializing and experienced in the maintenance of the HVAC equipment. Tenant shall provide Landlord copies of work performed by said contractors upon demand. Landlord retains the right, upon failure of Tenant, after 15 days' notice and demand to contract with a contractor as required herein, to procure and maintain any or all of such service contracts, and Tenant shall reimburse Landlord, upon demand, for the cost thereof.

(3) Failure to Perform. If Tenant fails to perform Tenant's obligations under this section, Landlord may, but shall not be obligated to, enter upon the Premises after 10 days' prior written notice to Tenant (except in the case of emergency, in which case no notice shall be required), and perform such obligations on Tenant's behalf, and put the Premises in good order, condition and repair, without liability to Tenant for any loss that may accrue to Tenant's Business as a result, and Tenant shall promptly pay to Landlord a sum equal to 115% of the cost thereof.

(b) Damage. Tenant shall be responsible for any damage done in or to the Premises caused by Tenant or its employees, agents, contractors, customers or invitees, or any burglar, vandal, or unauthorized entrant.

(c) Capital Repairs and Improvements. Except for improvements to the Premises made by or on behalf of Tenant for Tenant's use of the Premises, or damages caused by Tenant pursuant to subdivision (b) above, which will be the responsibility of Tenant, should the need for capital repairs or improvements to the Premises arise during the Lease term (including, without limitation (i) the structural components of the Building consisting only of the foundation and members supporting the roof, and (ii) utility lines outside the boundaries of the Building), such repairs or improvements shall be made by Landlord. Tenant shall give Landlord written notice of any repair required to be made by Landlord. Tenant hereby waives and releases any right it may have to make repairs at Landlord's expense under Section 1941 and 1942 of the California Civil Code, or under any similar law, statute or ordinance.

11. Landlord's Right of Entry. Landlord or its authorized representatives may enter the Premises following at least 72 hours' notice to Tenant during Tenant's regular business hours (except in a case of emergency) to: (a) inspect the Premises; (b) perform any obligation or exercise any right or remedy of Landlord under this Lease; (c) make repairs, alterations, improvements or additions to

the leased Premises or to other portions of the Premises; (d) perform work necessary to comply with laws, ordinances, rules or regulations of any public authority or of any insurance underwriter; and (e) perform work that Landlord deems necessary to prevent waste or deterioration of the Premises should Tenant fail to promptly commence and complete such repairs within 15 days after Notice. In exercising its right of entry provided for herein, Landlord and its contractors shall minimize any alteration or disruption to Tenant's use of the Premises.

12. Liens. Tenant shall not permit to be placed against the Premises, or any other part of the Premises, any mechanics', materialmen's, contractors', subcontractors' or other liens. Tenant shall indemnify, defend (with counsel acceptable to Landlord) and hold Landlord harmless from all liability for any and all liens, claims and demands, together with the costs of defense and reasonable attorneys' fees related to same. Landlord reserves the right, at any time and from time to time, to post and maintain on the Premises, any portion thereof or on the improvements on the Premises any notices of non-responsibility or other notice as may be desirable to protect Landlord against liability. In addition to and not in limitation of Landlord's other rights and remedies under this Lease, should Tenant fail, within 15 days of a written request from Landlord, to discharge any lien or claim related to Tenant's use of the Premises or the Premises, or to indemnify, hold harmless and defend Landlord from and against any loss, damage, injury, liability or claim arising out of Tenant's use of the Premises as provided above, then Landlord, at its option, may elect to pay any lien, claim, loss, demand, injury, liability or damages, or settle or discharge any action or satisfy any judgment and all costs, expenses and attorneys' fees incurred in doing so shall be paid to Landlord by Tenant upon written demand, together with interest thereon at the rate of 7% per annum (but in no event more than the maximum interest rate permitted by law) from the date incurred or paid through and including the date of payment.

13. Indemnity. As a material part of the consideration to Landlord, Tenant shall pay for, defend (with an attorney approved by Landlord), indemnify, and hold Landlord and its elected and appointed officials, officers, employees, representatives and agents (together "Indemnitees") harmless from any real or alleged damage or injury and from all claims, judgments, liabilities, penalties, costs and expenses, including attorneys' fees and costs (collectively, "Costs"), in any way connected to Tenant's (or anyone acting directly or indirectly by or through Tenant) use or operation on the Premises, or any repairs, alterations or improvements which Tenant may make or cause to be made on the Premises, or by any breach of this Lease by Tenant, or by any existing or future condition, defect, matter or thing or about the Premises or any part thereof or any equipment or appurtenance therein and any loss or interruption of business or loss of Rent income resulting from any of the foregoing; provided, however, Tenant shall not be liable for Costs to the extent such damage or injury is ultimately determined to be caused by the negligence or misconduct of Landlord. Notwithstanding the foregoing, Tenant shall in all cases accept any tender of defense of any action or proceeding in which any of the Indemnitees is or are named or made a party and shall, notwithstanding any allegations of negligence or misconduct on the part of any of the Indemnitees, defend the Indemnitees as provided herein until a final determination of negligence or misconduct is made. Costs shall also include all of Indemnitees' reasonable attorneys' fees, litigation costs, investigation costs and court costs and all other costs, expenses and liabilities incurred by any of the Indemnitees or their counsel(s) from the first Notice that any claim or demand is to be made or may be made. Notwithstanding any other provision hereof, Tenant's obligations under this section shall survive the termination of this Lease.

14. Insurance.

(a) Commercial General Liability. Tenant, at its sole cost and expense, shall, during the entire Term, any extension and holdover period, keep in full force and effect a policy or policies of commercial general liability insurance and property damage insurance with respect to the Premises and the operations by Tenant in which the combined single limit of liability shall be not less than \$2,000,000. Tenant shall also maintain a standard form all-risk policy covering fire and extended coverage, vandalism, malicious mischief, sprinkler leakage and other perils of direct physical loss or damage insuring the personal property, trade fixtures and equipment of Tenant. Said policies shall name Landlord as additional insured and contain a clause that the insurer may not cancel or change the insurance coverage limits without first giving Landlord 30 days' prior written notice, except cancellation for nonpayment of premium, in which case only 10 days' prior written notice shall be required. Tenant's commercial general liability insurance shall include a contractual liability endorsement insuring performance of all indemnities of Tenant under this Lease and a cross-liability endorsement to the extent insurable. Said insurance policy shall be with an insurance company or companies with general policy holders' rating of not less than "A-VIII" as rated in the most current available Best's Key Rating Guide and which are qualified to do business in the state in which the Premises are located. Tenant may satisfy this insurance requirement through a program of self-insurance.

(b) Risk of Loss. Landlord shall not be liable for injury to any person or for any damage to personal property sustained by Tenant or others that are caused by any defects in said Premises or the Premises, or any service facilities or due to the happening of accident, including any damage caused by water, wind storm, or by any gas, steam, electrical wiring, sprinkler system, plumbing, heating or conditioning apparatus; theft; or acts or omissions of co-tenants or other occupants of the Premises, or hereafter occurring therein or due to any part or appurtenance thereof, including any and all furniture, fixtures, and equipment of Tenant becoming out of repair, or from any act or omission of Tenant.

(c) Waiver of Subrogation. Tenant hereby releases Landlord from liability and waives all right of recovery against Landlord for any loss in or around the Premises from perils insured against under its fire or liability insurance contracts, including any all risk endorsements thereof, whether due to negligence or any other cause, provided that this section shall be inapplicable if it would have the effect, but only to the extent it would have the effect, of invalidating any insurance coverage of Landlord or Tenant. Nothing herein shall relieve Tenant of its obligation to request and procure, to the extent available on a commercially reasonable basis, the necessary endorsements required to validly waive subrogation in accordance with this section. Tenant shall, at the request of Landlord, execute and deliver to Landlord a Waiver of Subrogation in the form and content as reasonably required by Landlord's insurance carrier. To the extent Tenant fails to maintain the insurance required under the terms of this Lease, such failure shall be a defense to any claim asserted by Tenant against Landlord by reason of any loss sustained by Tenant due to circumstances that would have been covered had such required insurance been maintained.

(d) Certificate of Insurance. A certificate issued by the insurance carrier for each policy of insurance required to be maintained by Tenant under the provisions of this Lease shall be delivered to Landlord upon or before the delivery of the Premises to Tenant for any purpose. Each

of said certificates of insurance and each such policy of insurance required to be maintained by Tenant hereunder shall expressly evidence insurance coverage as required by this Lease.

15. Destruction.

(a) Non-Termination and Non-Abatement. Except as expressly provided in subsection (b), no destruction or damage to the Premises or any improvements located thereon by fire, windstorm or other casualty, whether insured or uninsured, shall entitle Tenant to terminate this Lease or to an abatement of Rent hereunder; provided, however, that both Landlord and Tenant each reserve rights to terminate this Lease upon 30 days' notice as provided herein.

(b) Repair of Damage. If the leased Premises is/are totally destroyed or damaged or rendered wholly untenantable by fire or other casualty, then Landlord and Tenant shall each have the right to terminate this Lease by giving Notice to the other Party within 30 days after the date of destruction. Upon termination of the Lease pursuant to this section, all insurance proceeds relating to the leased Premises shall be paid to Landlord (exclusive of Tenant coverage for personal/business property and/or personal injury). If Tenant does not terminate the Lease within 30 days from the expiration of such 30-day period, Tenant shall pay Rent unabated and all insurance proceeds shall be paid to Tenant. If the leased Premises is partially damaged or rendered partially untenantable by fire or other casualty, Tenant shall, within 30 days from the date of such destruction, begin the repair or replacement of the portion of the leased Premises affected; provided, however, that both Landlord and Tenant each reserve rights to terminate this Lease upon 30 days' notice as provided herein.

16. Default and Remedies. Should Tenant be in default with respect to any monetary obligation pursuant to the terms of this Lease for a period of 15 days, or should Tenant vacate or abandon the Premises, then Landlord may treat any such event as a material breach of this Lease and in addition to any or all other rights or remedies of Landlord by law provided, should Tenant be in default with respect to any other obligation contained in this Lease, then Landlord may request by written notice that Tenant cure the breach within 15 days. If Tenant does not cure the breach within 15 days, then Landlord may terminate this Lease. Landlord shall have the right, at Landlord's option, without further notice or demand of any kind to Tenant or any other person to declare the Lease terminated and to re-enter and take possession of the Premises and remove all persons therefrom. Should Landlord elect to terminate this Lease pursuant to this section, Landlord may recover from Tenant all damages caused as a result of Tenant's default.

17. Waiver. Any waiver by Landlord of any default or breach of any covenant, condition, term, and agreement contained in this Lease, shall not be construed to be a waiver of any subsequent or other default or breach, nor shall failure by Landlord to require exact, full, and complete compliance with any of the covenants, conditions, terms, or agreements contained in this Lease be construed as changing the terms of this Lease in any manner or preventing Landlord from enforcing the full provisions hereof. No delay, failure, omission of Landlord to exercise any right, power, privilege, or option arising from any default or breach, nor any subsequent acceptance of payment then or thereafter by Landlord, shall impair any such right, power, privilege, or option or be construed as a waiver of or acquiescence in such default or breach, or as a relinquishment of any right. The rights, powers, options, privileges, and remedies available to Landlord under this Lease shall be cumulative.

18. Attorneys' Fees. Should either party to this Lease have to resort to litigation to enforce any provision of this Lease, the prevailing party shall be entitled to its attorneys' fees and reasonable costs incurred in litigating any dispute.

19. Inspection. Landlord and its representatives, employees, agents or independent contractors may enter and inspect the Premises or any portion of the Premises or any improvements on the Premises at any time during business hours and at other times after Landlord has provided Tenant with 72 hours advanced notice to show the Premises to potential buyers, investors or tenants or other parties, inspect the Premises, make repairs or replacements, or for any other purpose Landlord reasonably deems necessary. All visitors shall be accompanied by a Landlord representative and shall provide Tenant with identification and the purpose of the visit/inspection upon demand.

20. Prohibition on Assignment and Subletting. Tenant may not assign, sublet or otherwise transfer its interest under this Lease without Landlord's prior written consent, which consent may be withheld, conditioned or delayed in Landlord's sole and absolute discretion. Any attempted assignment, sublet or transfer made in violation of this provision shall be void.

21. Notices. All notices, demands and requests which may be given or which are required to be given by any party to this Agreement, and any exercise of a right of termination provided by this Agreement, shall be in writing and shall be deemed effective either: (1) on the date personally delivered to the address below prior to 5:00 p.m. (Pacific Standard Time), as evidenced by written receipt therefor, whether or not actually received by the person to whom addressed; (2) on the third (3rd) business day after being sent, by certified or registered mail, return receipt requested, addressed to the intended recipient at the address specified below; (3) on the first (1st) business day after being deposited into the custody of a nationally recognized overnight delivery service (i.e., FedEx, UPS, or DHL) addressed to such party at the address specified below; or (4) on the business day sent via facsimile transmission to the facsimile numbers below, as evidenced by a printed confirmation of the successful electronic transmission of the message prior to 2:00 p.m. (Pacific Standard Time), or otherwise delivery shall be considered to be on the following business day. For purposes of this section, the addresses of the parties for all notices are as follows:

To Landlord: KJ Investments Group LLC
Attn.: Chae Hong Chung
3440 Wilshire Blvd., Ste. 1000
Los Angeles, CA 90010
Tel. _____

To Tenant: City of Garden Grove
Attn.: Lisa Kim, Assist. City Manager
11222 Acacia Parkway
Garden Grove, CA 92840
Tel. (714) 741-5148

22. No Principal/Agent Relationship and No Third Party Beneficiary. Nothing contained in this Lease shall be construed as creating the relationship of principal and agent or of partnership or joint venture between Landlord and Tenant, nor shall it be construed to benefit any third party.

23. Option to Purchase. Landlord hereby grant to Tenant the exclusive right to purchase the Property over which the Premises are located at a price and under the terms and conditions set forth in Exhibit C. This option will commence on the Effective Day and will remain in effect until 5:00 p.m., December 1, 2023. This option is granted in consideration of Tenant's lease of the Premises, which was a material consideration to enter into this Lease Agreement. Furthermore, should Tenant exercise this option within one year of the Effective Date, then 40% of the Rent shall be credited to the purchase price of the Property. If Tenant fails to exercise this option in accordance with its terms and within the option period or any extension of it, then this option and the rights of Tenant will automatically and immediately terminate without notice. Thereafter, Tenant must properly execute, acknowledge, and deliver to Landlord within 45 days of a request therefor, a release, quitclaim deed, or any other document required by Landlord or a title insurance company to verify the termination of this option. Tenant must not assign this option. In the event an attempted assignment is made, in violation of this provision, then Tenant's rights under this option to purchase will automatically terminate without notice. This option will be binding on and inure to the benefit of the parties to this Lease Agreement and their heirs, personal representatives, and successors.

24. Authority to Enter Into Agreement. Each Party to this Lease represents and warrants that its respective signatory has the authority to enter into this Lease and to bind it to the terms of this Lease.

25. Applicable Law and Venue. This Lease shall be construed and enforced in accordance with, and governed by, the laws of the State of California. The parties consent to the jurisdiction of the California courts with venue in Orange County.

26. Counterparts and Facsimiles. This Lease may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument. Any facsimile of any original document shall be treated as an original document. The Party submitting any facsimile must also submit a copy of the original to the other Party within a reasonable time after the transmission of the facsimile.

27. Miscellaneous.

(a) The headings of this Lease are for purposes of reference only and shall not limit or define the meaning of any provision.

(b) The above Recitals are an integral part of this Lease and made part hereof.

(c) If any provision of this Lease or its application is found to be invalid or unenforceable, such determination shall not affect the other provisions of this Lease and they shall remain valid and enforceable.

(d) Time is of the essence in all provisions of this Lease.

28. Complete Agreement. This Lease constitutes the entire agreement between Landlord and Tenant pertaining to the subject matter of this Lease and supersedes all prior and contemporaneous agreements, representations and understandings of Landlord and Tenant, oral or written.

29. Brokers. Curtis Lighter and Liz Nguyen with Lightner Realty are the sole brokers in connection with this Lease representing solely the Landlord, and Landlord shall be solely responsible for the payment of any compensation therefor. There have been no other brokers, finders or agents involved in this Lease, and each party agrees to hold the other harmless from the failure to pay any other broker, finder or agent making a claim for compensation, commission or charges with respect to this Lease and/or the negotiation hereof.

30. Modification. No supplement, modification, amendment or change in any terms of this Lease shall be binding on the Parties unless in writing and executed by Tenant and Landlord.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have executed this instrument as of the dates below stated.

LANDLORD

KJ Investment Group, LLC
a California limited liability company

By: _____
Its: _____
Dated: _____

By: _____
Its: _____
Dated: _____

TENANT

CITY OF GARDEN GROVE
a California municipal corporation

By: _____
Its: City Manager
Dated: _____

Attest:

By: _____
Its: City Clerk
Dated: _____

Approved as to form:

City Attorney

EXHIBIT "A"

Landlord Repair Responsibilities

Landlord agrees to complete the following one-time repair/maintenance items prior to the Tenant taking possession of the Premises:

- All electrical facilities serving the Premises, inside and outside the Building, including lighting to code and operational.
- All plumbing serving the Premises, inside and outside the Building (including landscape irrigation) to code and operational.
- Removal of any condition that would preclude the occupancy of the leased Premises pursuant to any Federal, State, or local law, including ADA compliance.
- The leased Premises shall be delivered by Landlord broom clean.
- Landlord and Tenant shall conduct a walkthrough of the Premises.
- Landlord consents to Tenant obtaining copies of architectural drawings, if any, at Tenant's cost, for any of the work performed to the Premises in connection with Landlord's Repair Responsibilities pursuant to the Lease.

EXHIBIT "B"

Improvements by Tenant Approved by Landlord

Landlord has approved the following improvements by Tenant, which do not require further approval by Landlord provided that they are constructed, installed, or reconstructed and maintained according to applicable State and local codes and regulations, if any.

- Installation of video and alarm monitoring.
- Internal Tenant improvements.

EXHIBIT “C”

Instructions for Tenant’s Exercise of Option

In the event that Tenant wishes to exercise the option pursuant to Section 23 of the Lease, the Parties agree to proceed as follows:

1. Tenant shall notify Landlord in writing at the address in Section 21 of the Lease of Tenant’s decision to exercise the option.
2. Within 15 business days of Tenant’s notice to Landlord, the Parties will negotiate a mutually acceptable price and terms for the purchase of the Property memorialized in a purchase and sale agreement with escrow instructions.